

AMENDED IN ASSEMBLY MAY 25, 2012

AMENDED IN ASSEMBLY MAY 2, 2012

AMENDED IN ASSEMBLY APRIL 19, 2012

AMENDED IN ASSEMBLY APRIL 11, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1900

**Introduced by Assembly Members Gatto, Chesbro, and
Roger Hernández
(Coauthor: Assembly Member Gordon)
(Coauthor: Senator Cannella)**

February 22, 2012

An act to amend Sections 25420 and 25421 of the Health and Safety Code, ~~and to amend Section 454.4 of,~~ and to add Sections 399.24 and 769 to, the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1900, as amended, Gatto. Renewable energy resources: biomethane.

Existing law requires the Public Utilities Commission (PUC) to specify the maximum amount of vinyl chloride that may be found in landfill gas. Existing law prohibits a gas producer from knowingly selling, supplying, or transporting to a gas corporation, and a gas corporation from knowingly purchasing, landfill gas containing vinyl chloride in a concentration exceeding the maximum amount determined by the PUC. Existing law requires a person who produces, sells, supplies, or releases landfill gas for sale offsite to a gas corporation to

sample and test, bimonthly, the gas at the point of distribution for chemicals known to the state to cause cancer or reproductive toxicity.

This bill would require the PUC to identify all constituents that may be found in landfill gas that is to be injected into a common carrier pipeline and that could adversely impact the health and safety of the public, and to specify the maximum amount of those constituents that may be found in that landfill gas. This bill would require the PUC to develop reasonable and prudent testing protocols for gas collected from a solid waste landfill that is to be injected into a common carrier pipeline to determine if the gas contains any of the identified constituents at levels that exceed the standards set by the PUC. This bill would prohibit a gas producer from knowingly selling, supplying, transporting, or purchasing gas collected from a hazardous waste landfill.

This bill would require the PUC, on or before January 1, 2014, to consider adopting pilot projects involving the injection of biomethane into common carrier pipelines where a project satisfies certain safety, quality, and efficiency requirements, as specified. ~~This bill would require the PUC to adopt policies and programs that promote the in-state production and distribution of biomethane.~~

~~This bill would also require the PUC to specify minimum electricity targets for electrical corporations to procure electricity from landfill gas in their annual procurement updates.~~

Existing law allows the PUC to set heating and purity requirements for biomethane injected into a gas pipeline. Existing law allows gas corporations to impose tariffs on biomethane injected into their pipelines.

This bill would require the PUC to adopt pipeline access rules that ~~are the substantial equivalent of Rule 39 of San Diego Gas and Electric Company's Gas Tariff Rule Book to~~ will ensure that each gas corporation provides nondiscriminatory open access to its *each corporation's* gas pipeline system to any party for the purpose of physically interconnecting with the gas pipeline system and effectuating the delivery of gas.

This bill would make other conforming changes.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the PUC is a crime.

Because this bill would require action by the PUC to implement certain of its requirements, a violation of which would be a crime, these provisions would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

This bill would become operative only if this bill and AB 2196 of the 2011–12 Regular Session are both enacted and become effective on or before January 1, 2013.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 25420 of the Health and Safety Code is
2 amended to read:

3 25420. For purposes of this chapter, the following definitions
4 apply:

5 (a) “Commission” means the Public Utilities Commission.

6 (b) “Delivery of landfill gas by dedicated pipeline” means gas
7 captured at a solid waste facility and transported from that site to
8 an eligible renewable energy resource, as defined in the California
9 Renewables Portfolio Standard Program (Article 16 (commencing
10 with Section 399.11) of Chapter 2.3 of Part 1 of Division 1 of the
11 Public Utilities Code), that utilizes best available control
12 technology for the control of air pollutants, using a pipeline that
13 is not a common carrier pipeline used to transport natural gas to
14 customers other than the eligible renewable energy resource, or
15 otherwise subject to the jurisdiction of the commission.

16 (c) “Department” means the Department of Toxic Substances
17 Control.

18 (d) “Gas corporation” has the same meaning as defined in
19 Section 222 of the Public Utilities Code and is subject to rate
20 regulation by the commission.

21 (e) “Hazardous waste landfill” means a landfill that is a
22 hazardous waste facility, as defined in Section 25117.1.

23 (f) “Person” means an individual, trust, firm, joint stock
24 company, partnership, association, business concern, limited
25 liability company, or corporation. “Person” also includes any city,
26 county, district, and the state or any department or agency thereof,

1 or the federal government or any department or agency thereof to
2 the extent permitted by law.

3 (g) “Solid waste landfill” means a landfill that is a solid waste
4 facility, as defined in Section 40194 of the Public Resources Code,
5 or at which solid waste, as defined in Section 40191 of the Public
6 Resources Code, is disposed.

7 SEC. 2. Section 25421 of the Health and Safety Code is
8 amended to read:

9 25421. (a) (1) The commission shall, by rule or order, identify
10 all constituents that may be found in landfill gas that is to be
11 injected into a common carrier pipeline and that could adversely
12 impact the health and safety of the public. Potential impacts
13 include, but are not limited to, health and safety hazards to utility
14 employees or to the general public, damage to pipeline facilities,
15 and other impacts that may inhibit the marketability of gas.

16 (2) The commission shall, by rule or order, specify the maximum
17 amount of constituents identified pursuant to paragraph (1) that
18 may be found in landfill gas that is to be injected into a common
19 carrier pipeline. The maximum amount adopted by the commission
20 shall not exceed the equivalent of the no significant risk level set
21 in Section 25705 of Title 27 of the California Code of Regulations
22 for constituents that are specified in that section.

23 (3) This subdivision does not require the commission to revise
24 any standard in effect on the effective date of this paragraph.

25 (b) The commission shall make findings that are sufficient to
26 ensure that the standards adopted pursuant to subdivision (a) do
27 not do either of the following:

28 (1) Expose any customer, employee, or other person to landfill
29 gas if that gas contains any chemical known to the state to cause
30 cancer or reproductive toxicity without first giving clear and
31 reasonable warning to that individual, except as provided by
32 Section 25249.10.

33 (2) Expose a natural gas pipeline to an unreasonable risk of
34 harm to pipeline integrity.

35 (c) The commission shall develop reasonable and prudent testing
36 protocols for gas collected from a solid waste landfill that is to be
37 injected into a common carrier pipeline to determine if the gas
38 contains any of the constituents that the commission has identified
39 pursuant to subdivision (a) at levels that exceed the standards set
40 by the commission.

(1) Recognizing the potential environmental benefits of landfill gas that satisfies required standards and specifications, the commission shall ensure that the protocols it adopts pursuant to this section provide for efficient testing procedures that accurately, and, where needed, continuously, identify levels of constituents in landfill gas that is to be injected into a common carrier pipeline.

(2) Every person who produces, sells, supplies, or releases gas collected at a solid waste landfill, that is to be injected into a common carrier pipeline for sale offsite to a gas corporation or noncore customer, shall comply with the standards and testing protocols set by the commission.

(d) (1) A gas producer shall ensure that landfill gas it seeks to inject into a pipeline satisfies the standards set by the commission pursuant to subdivision (a). A gas corporation shall administer testing protocols consistent with those standards, and shall not knowingly accept landfill gas that does not satisfy those standards.

(2) A gas producer shall not knowingly sell, supply, or transport gas collected from a hazardous waste landfill to a gas corporation. A gas corporation shall not knowingly purchase gas collected from a hazardous waste landfill.

(e) This section does not prohibit the onsite usage of landfill gas for the generation of electricity or any other onsite productive use by an eligible renewable energy resource, or the delivery of landfill gas by a dedicated pipeline for the generation of electricity, the production of steam, or any other productive use or other industrial applications.

SEC. 3. Section 399.24 is added to the Public Utilities Code, to read:

399.24. ~~(a)~~—On or before January 1, 2014, the commission shall consider adopting pilot projects that satisfy all of the following requirements:

~~(1)~~

(a) Are capable of being safely implemented.

~~(2)~~

(b) Demonstrate the accuracy of the commission's testing protocols established pursuant to subdivision (a) of Section 25421 of the Health and Safety Code.

~~(3)~~

(c) Demonstrate the level of consistency of the quality of gas injected into the gas pipeline system.

1 ~~(4)~~

2 ~~(d) Demonstrate the capacity of biomethane to be procured at~~
3 ~~the lowest cost and best fit.~~

4 ~~(b) To fill the energy and transportation needs of the state, the~~
5 ~~commission shall adopt policies and programs that promote the~~
6 ~~in-state production and distribution of biomethane. The policies~~
7 ~~and programs shall facilitate the development of a variety of~~
8 ~~sources of in-state biomethane.~~

9 ~~SEC. 4. Section 454.4 of the Public Utilities Code is amended~~
10 ~~to read:~~

11 ~~454.4. (a) The commission shall establish rates for gas which~~
12 ~~is utilized in cogeneration technology projects not higher than the~~
13 ~~rates established for gas utilized as a fuel by an electric plant in~~
14 ~~the generation of electricity, except that this rate shall apply only~~
15 ~~to that quantity of gas which an electrical corporation serving the~~
16 ~~area where a cogeneration technology project is located, or an~~
17 ~~equivalent area, would require in the generation of an equivalent~~
18 ~~amount of electricity based on the corporation's average annual~~
19 ~~incremental heat rate and reasonable transmission losses or that~~
20 ~~quantity of gas actually consumed by the cogeneration technology~~
21 ~~project in the sequential production of electricity and steam, heat,~~
22 ~~or useful work, whichever is the lower quantity.~~

23 ~~(b) The commission shall specify minimum electricity targets~~
24 ~~for electrical corporations to procure electricity from landfill gas~~
25 ~~in their annual procurement updates.~~

26 ~~SEC. 5.~~

27 ~~SEC. 4. Section 769 is added to the Public Utilities Code, to~~
28 ~~read:~~

29 ~~769. For each gas corporation, the commission shall adopt~~
30 ~~pipeline access rules that are the substantial equivalent of Rule 39~~
31 ~~of San Diego Gas and Electric Company's Gas Tariff Rule Book,~~
32 ~~as was in effect on January 1, 2013, to ensure that each gas~~
33 ~~corporation provides will ensure nondiscriminatory open access~~
34 ~~to its each corporation's gas pipeline system to any party for the~~
35 ~~purpose of physically interconnecting with the gas pipeline system~~
36 ~~and effectuating the delivery of gas.~~

37 ~~SEC. 6.~~

38 ~~SEC. 5. This act shall become operative only if this act and~~
39 ~~Assembly Bill 2196 of the 2011–12 Regular Session are both~~
40 ~~enacted and become effective on or before January 1, 2013.~~

1 ~~SEC. 7.~~

2 *SEC. 6.* No reimbursement is required by this act pursuant to
3 Section 6 of Article XIII B of the California Constitution because
4 the only costs that may be incurred by a local agency or school
5 district will be incurred because this act creates a new crime or
6 infraction, eliminates a crime or infraction, or changes the penalty
7 for a crime or infraction, within the meaning of Section 17556 of
8 the Government Code, or changes the definition of a crime within
9 the meaning of Section 6 of Article XIII B of the California
10 Constitution.

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